

Food Stamp (or Supplemental Nutrition Assistance) Program

The House economic recovery package includes \$20 billion for the Food Stamp Program (recently renamed the Supplemental Nutrition Assistance Program). Most of this amount (about \$19 billion) would be used to fund a 13.6 percent increase to maximum food stamp benefits, which would go into effect in April 2009 if the bill is enacted in February. (There would be smaller increases in subsequent years as the provision phases out.) All food stamp households — currently about 14 million households containing more than 30 million individuals — would benefit from the increase.

Food stamps are one of the most effective forms of economic stimulus because low-income individuals generally spend their available resources on meeting their daily needs, such as shelter, food, and transportation. Therefore, every dollar in food stamps that a low-income family receives enables the family to spend an additional dollar on food or other items. USDA research has found that \$1 in food stamps generates \$1.84 in total economic activity. Mark Zandi of Moody's Economy.com estimates a similar multiplier (\$1.73 for every additional \$1 in food stamp expenditures), the highest of the various spending and tax measures he evaluated. For more information see: "New Zandi Analysis Finds Rebates More Effective as Stimulus if They Include Lower-Income Workers" at <http://www.cbpp.org/1-22-08bud.htm>.

The package also would provide \$296 million in administrative funds to states to implement the change and help manage rising caseloads during the recession (another \$4.5 million would go to USDA for administrative costs), suspend for 18 months the three-month time limit on assistance that many unemployed childless adults face, and provide a comparable increase for the food assistance block grant for Puerto Rico and American Samoa.

The attached tables present the estimated state-by-state impacts of three of the House provisions: the 13.6 percent benefit increase, the increase for the Puerto Rico/American Samoa block grant, and the state administrative funds. Because all food stamp recipients would benefit from the increase, the number of individuals is based on food stamp participation for October 2008, the most recent month for which data are available (with downward adjustments to remove disaster benefits in Texas from Hurricane Ike). If food stamp participation continues to rise, the number of people helped also will grow. The distribution of dollars is based on Congressional Budget Office cost estimates and 2006 food stamp administrative data. We assume that the bill will help households that receive the minimum benefit or participate in Combined Application Projects (CAPs). Administrative funds are allocated, as the House bill requires, based on food stamp caseloads over the July 2007 to June 2008 period.

Sources: USDA, Economic Research Service, "Effects of Changes in Food Stamp Expenditures Across the U.S. Economy" by Kenneth Hanson and Elise Golan, August 2002. Mark Zandi, "The Economic Impact of the American Recovery and Reinvestment Act," January 21, 2009.

Table 5: State by State Impact of the House Recovery Package

Food Stamps

(Millions of dollars, total over FY2009-FY2013)

	Increase in Food Stamp Benefits	Participants Receiving Stimulus	Food Stamp Administration
U.S. Total	\$19,259	30,700,000	\$295.5
Alabama	\$389	614,000	\$6.0
Alaska	\$36	50,000	\$0.6
Arizona	\$381	707,000	\$6.4
Arkansas	\$269	381,000	\$4.0
California	\$1,466	2,399,000	\$23.1
Colorado	\$181	273,000	\$2.7
Connecticut	\$152	238,000	\$2.4
Delaware	\$46	81,000	\$0.8
District of Columbia	\$63	98,000	\$0.9
Florida	\$879	1,676,000	\$14.8
Georgia	\$666	1,139,000	\$10.6
Hawaii	\$66	105,000	\$1.0
Idaho	\$65	112,000	\$1.0
Illinois	\$890	1,424,000	\$13.8
Indiana	\$409	740,000	\$6.5
Iowa	\$161	276,000	\$2.7
Kansas	\$127	196,000	\$2.0
Kentucky	\$427	664,000	\$6.7
Louisiana	\$461	702,000	\$7.1
Maine	\$114	184,000	\$1.8
Maryland	\$219	403,000	\$3.7
Massachusetts	\$317	563,000	\$5.2
Michigan	\$800	1,304,000	\$13.3
Minnesota	\$175	306,000	\$3.1
Mississippi	\$296	472,000	\$4.7
Missouri	\$562	949,000	\$9.3
Montana	\$57	82,000	\$0.9
Nebraska	\$83	121,000	\$1.3
Nevada	\$84	163,000	\$1.5
New Hampshire	\$38	68,000	\$0.7
New Jersey	\$297	462,000	\$4.6
New Mexico	\$172	258,000	\$2.5
New York	\$1,289	2,114,000	\$20.0
North Carolina	\$616	1,031,000	\$9.9
North Dakota	\$30	49,000	\$0.5
Ohio	\$756	1,209,000	\$12.1
Oklahoma	\$302	435,000	\$4.5
Oregon	\$307	507,000	\$4.9
Pennsylvania	\$779	1,235,000	\$12.6
Rhode Island	\$52	90,000	\$0.9
South Carolina	\$383	637,000	\$6.2
South Dakota	\$42	65,000	\$0.7
Tennessee	\$608	977,000	\$9.6
Texas	\$1,812	2,867,000	\$26.3
Utah	\$94	154,000	\$1.4
Vermont	\$34	60,000	\$0.6
Virginia	\$355	582,000	\$5.7
Washington	\$392	634,000	\$6.1
West Virginia	\$187	285,000	\$2.9
Wisconsin	\$246	469,000	\$4.4
Wyoming	\$17	23,000	\$0.2
Guam	\$18	29,000	\$0.3
Virgin Islands	\$9	14,000	\$0.1
Puerto Rico	\$579	N/A	N/A

Supplemental Security Income

The Supplemental Security Income (SSI) program provides basic income support to poor elderly individuals and people with disabilities. The maximum monthly benefit for individuals receiving SSI is \$674, about three-quarters of the poverty line.

Under the House package, SSI recipients would receive a one-time payment equal to the average SSI benefit, about \$450 for individuals and \$630 for married couples. The payment would be provided in 2009.

Because the beneficiaries of this payment have very low incomes, they are likely to spend the additional payment quickly, thereby providing effective stimulus. The payment also would help individuals who may be facing hard times during the recession due to a decline in the value of their savings, a loss in state-funded services (such as adult day care and meal programs) due to state budget cuts, and a decline in financial support and in-kind assistance from family members who themselves are facing difficult economic times.

This table shows the number of SSI recipients in each state in December 2007, the latest year for which data are available. Since all SSI recipients would receive the additional payment, this represents the best available estimate of the number of individuals who would be affected by this provision in each state. The table also provides an estimate of the state-by-state distribution of the total additional benefits received by SSI recipients under the House recovery package.

The level of SSI benefits received by residents in each state is computed by distributing the total cost of the provision (as estimated by the Congressional Budget Office) across states in proportion to the distribution of SSI recipients. For example, if a state had 3 percent of total SSI recipients in December 2007, this analysis assumes that the state would receive 3 percent of the total estimated additional SSI benefits provided under in the recovery package.

**Table 6: State by State Impact of the House Recovery Package
Supplemental Security Income (SSI)**
(Millions of dollars, total over FY2009)

	Additional Funding	Number of People that Will Benefit from Additional Funding
U.S. Total	\$4,200.0	7,359,000
Alabama	\$94.4	165,400
Alaska	\$6.5	11,500
Arizona	\$57.6	101,000
Arkansas	\$54.6	95,600
California	\$710.7	1,245,400
Colorado	\$33.4	58,600
Connecticut	\$31.0	54,300
Delaware	\$8.3	14,500
District of Columbia	\$12.5	22,000
Florida	\$246.4	431,800
Georgia	\$118.8	208,200
Hawaii	\$13.3	23,300
Idaho	\$13.5	23,700
Illinois	\$149.5	262,000
Indiana	\$59.6	104,500
Iowa	\$25.5	44,700
Kansas	\$23.1	40,400
Kentucky	\$105.1	184,200
Louisiana	\$92.9	162,800
Maine	\$19.0	33,300
Maryland	\$55.9	98,000
Massachusetts	\$101.9	178,600
Michigan	\$130.1	228,000
Minnesota	\$44.7	78,400
Mississippi	\$70.0	122,700
Missouri	\$69.6	121,900
Montana	\$8.9	15,600
Nebraska	\$13.1	23,000
Nevada	\$20.5	35,900
New Hampshire	\$8.6	15,200
New Jersey	\$89.1	156,200
New Mexico	\$32.2	56,400
New York	\$369.5	647,500
North Carolina	\$117.4	205,700
North Dakota	\$4.6	8,000
Ohio	\$147.2	257,900
Oklahoma	\$48.6	85,200
Oregon	\$36.6	64,200
Pennsylvania	\$190.5	333,800
Rhode Island	\$17.7	31,100
South Carolina	\$60.3	105,700
South Dakota	\$7.4	13,000
Tennessee	\$93.2	163,300
Texas	\$310.9	544,800
Utah	\$14.0	24,500
Vermont	\$7.9	13,900
Virginia	\$80.3	140,700
Washington	\$69.4	121,700
West Virginia	\$45.1	79,000
Wisconsin	\$54.8	96,100
Wyoming	\$3.3	5,800

Emergency Shelter Grant Program

The Emergency Shelter Grant (ESG) program, administered by HUD, provides formula grants to states and localities that may be used for homelessness prevention, emergency shelters, and street outreach. Twenty-five percent of the funds go to states; the rest go to localities.

The House recovery package would provide an additional \$1.5 billion for ESG for use only for homelessness prevention activities (not for emergency shelters). The funds could be used for short-term or medium-term rental assistance, housing stabilization services, and housing relocation assistance, including security or utility deposits and moving costs.

The funding could help some families avert homelessness by providing them with help to pay for a few months of overdue rent or utility bills or the costs of moving into a new apartment. Relocation funds could help families meet the one-time costs associated with getting settled in new housing after being displaced by foreclosure, including many renters who are left without housing when the property in which they live is foreclosed upon. These funds would be spent quickly, boosting local economies and improving cash-flow for rental property owners, which are typically small businesses.

This table shows the estimated amount of additional ESG funds each state (including localities within a state) would receive under the House package and the estimated number of families assisted with such funds. Using the 2008 ESG awards as provided on the HUD website, we calculated the percentage of total 2008 funds allocated to each state. We then applied those percentages to the \$1.5 billion provided in the House package to get the dollar figures. To estimate the number of households assisted, we assumed that the national average ESG cost per household assisted would be \$5,000, and weighted this estimate by the average HUD Fair Market Rent for the state.

2008 ESG awards: <http://www.hud.gov/offices/cpd/about/budget/budget08/index.cfm>
FMRs: NLIHC's Out-of-Reach 2007-2008 <http://www.nlihc.org/oor/oor2008/>

**Table 7: State by State Impact of the House Recovery Package
Emergency Shelter Grant Program**
(Millions of dollars, total allocated in FY2009)

	Additional Funding	Estimated number of households assisted by new funds
U.S. Total	\$1,500.0	299,400
Alabama	\$20.1	5,600
Alaska	\$1.9	300
Arizona	\$22.1	4,400
Arkansas	\$11.2	3,100
California	\$190.7	25,200
Colorado	\$15.6	3,100
Connecticut	\$17.0	2,600
Delaware	\$2.9	600
District of Columbia	\$7.6	900
Florida	\$65.7	11,500
Georgia	\$33.6	7,600
Hawaii	\$6.2	700
Idaho	\$5.0	1,300
Illinois	\$71.5	14,000
Indiana	\$28.7	7,000
Iowa	\$16.8	4,500
Kansas	\$11.4	3,000
Kentucky	\$18.6	5,000
Louisiana	\$25.4	5,600
Maine	\$8.1	1,700
Maryland	\$22.7	3,400
Massachusetts	\$44.8	6,200
Michigan	\$53.8	12,000
Minnesota	\$23.7	5,100
Mississippi	\$14.4	3,800
Missouri	\$27.5	7,000
Montana	\$3.8	1,000
Nebraska	\$7.9	2,100
Nevada	\$8.3	1,400
New Hampshire	\$5.4	900
New Jersey	\$41.2	5,900
New Mexico	\$8.6	2,200
New York	\$142.6	19,600
North Carolina	\$29.1	7,000
North Dakota	\$2.6	800
Ohio	\$66.1	16,000
Oklahoma	\$12.4	3,400
Oregon	\$15.0	3,400
Pennsylvania	\$90.6	19,800
Rhode Island	\$7.0	1,100
South Carolina	\$15.9	3,900
South Dakota	\$3.3	900
Tennessee	\$20.4	5,200
Texas	\$104.1	22,000
Utah	\$8.4	2,000
Vermont	\$3.4	700
Virginia	\$25.0	4,400
Washington	\$25.1	5,000
West Virginia	\$10.2	3,000
Wisconsin	\$27.3	6,300
Wyoming	\$1.7	500
Puerto Rico	\$45.2	15,800

Child Tax Credit

The Child Tax Credit provides a partially-refundable federal income tax credit of up to \$1,000 per child (under 17) to help offset the costs of raising a child. The House recovery package temporarily expands the Child Tax Credit by lowering the eligibility level, called the “refundability threshold,” to make the credit available to all *working* tax filers with children. Families without earnings would not qualify for a credit, even a partial credit, under the House provision.

Under current law, the credit is available only to those with earnings of \$8,500 or more in tax year 2008 and \$12,550 in tax year 2009. Families with earnings just above the threshold qualify for a very small credit, because the credit “phases in” as earnings rise above the threshold level. Under the House package, the threshold would be set to \$0. Even under this provision a family with two children would not qualify for the full Child Tax Credit unless it had earnings equal to at least \$13,333. (A family with earnings at this level would only qualify for a \$117 credit if the threshold were set at \$12,550.)

The Joint Committee on Taxation estimates that the 2-year Child Tax Credit provision would cost \$18.3 billion as compared to current law (in which the threshold would equal \$12,550 and slightly more than that in 2010).

The assistance provided under this provision can be expected to provide especially effective stimulus because it is exceptionally well targeted to the lowest-income families who are most likely to spend the money. The Tax Policy Center has estimated that more than 73 percent of the benefits of the provision would go to the bottom one-fifth of Americans, and 97 percent would go to the bottom two-fifths.

The state figures shown here represent the number of children younger than 17 expected to receive help under the provision (that is, to start receiving the credit for the first time or to receive more help from the credit than they would have received had the threshold remained at \$8,500). The figures are national estimates from the Tax Policy Center, allocated by state by the Center using Census Bureau data. To allocate the TPC figures, the Center used data from the March 2005, March 2006, and March 2007 Current Population Survey to simulate families’ taxes, first assuming a refundability threshold of \$8,500 for the Child Tax Credit and then lowering the threshold to \$0. We used these figures to estimate each state’s share of children benefiting from the CTC provision. Three years of Census data were used to improve the reliability of the state estimates.

The margin of error shown in the table reflects the fact that the data are based on a sample of households. There is approximately a 90 percent likelihood that an estimate based on all households in the state, rather than a sample, would equal the number shown plus or minus the margin of error.

**Table 8: State by State Impact of the House Recovery Package
Number of Children Benefiting from Child Tax Credit Provision
(For tax year 2009)**

	Number of Children Helped	Margin of Error
U.S. Total	15,500,000	±303,000
Alabama	258,000	±43,000
Alaska	33,000	±7,000
Arizona	375,000	±60,000
Arkansas	193,000	±30,000
California	2,075,000	±144,000
Colorado	217,000	±46,000
Connecticut	119,000	±28,000
Delaware	34,000	±8,000
District of Columbia	36,000	±6,000
Florida	816,000	±86,000
Georgia	530,000	±64,000
Hawaii	50,000	±11,000
Idaho	85,000	±16,000
Illinois	638,000	±72,000
Indiana	319,000	±50,000
Iowa	158,000	±29,000
Kansas	151,000	±28,000
Kentucky	262,000	±43,000
Louisiana	305,000	±46,000
Maine	51,000	±13,000
Maryland	186,000	±40,000
Massachusetts	184,000	±40,000
Michigan	496,000	±61,000
Minnesota	180,000	±38,000
Mississippi	210,000	±31,000
Missouri	326,000	±49,000
Montana	51,000	±10,000
Nebraska	74,000	±17,000
Nevada	106,000	±25,000
New Hampshire	33,000	±10,000
New Jersey	279,000	±51,000
New Mexico	144,000	±24,000
New York	930,000	±89,000
North Carolina	484,000	±62,000
North Dakota	28,000	±6,000
Ohio	623,000	±67,000
Oklahoma	185,000	±37,000
Oregon	191,000	±39,000
Pennsylvania	567,000	±67,000
Rhode Island	48,000	±10,000
South Carolina	244,000	±43,000
South Dakota	35,000	±7,000
Tennessee	353,000	±51,000
Texas	1,701,000	±125,000
Utah	153,000	±25,000
Vermont	19,000	±5,000
Virginia	269,000	±49,000
Washington	246,000	±47,000
West Virginia	91,000	±17,000
Wisconsin	286,000	±46,000
Wyoming	23,000	±5,000